000 AN IMPROVED world situation with regard to oil would benefit Roumania very greatly, for the oil industry may fairly be said to be the one industry of the country which has developed to the stage of maturity.

TRANSPORT.

● 489 THE TRANSPORT of the country is organised, where it is organised, from the standpoints of trade, administration and defence, but from all these standpoints re-orientation has been necessary since the acquisition of new territories, and so far achievement has only been very partial. In measuring the extent of progress the great engineering difficulties and immense cost of construction in so mountainous a country where disastrous floods are a common feature must not be forgotten.

487 THE OLD KINGDOM developed its lines of communication as a purely agricultural country with a grain and timber surplus for export. Its natural markets were the industrialised countries of west-central and western Europe, where grain and timber could be exchanged for manufactured goods. The Danube river seems at first sight to offer the natural line of communication to the west, but its swift current has always been an obstacle to up-stream traffic, especially before the days of high-powered river-craft, and the still greater obstacles of the Iron Gate reefs and the Klissura gorges and cataracts have always prevented the full use of the waterway. Through the gorges of the Banat, Trajan's hanging road is replaced by the fine metalled Szecheny road built by Hungarian engineers a hundred years ago, but there is no railway along the river except for the small stretch between Orşova and Turnu Severin, the marsh and lagoon and loose sand of the lower Danube valley present conditions that have from early times diverted traffic away from the almost bridgeless river. From Roman times the Cerna and Timiş valley route has been the more important western exit from the lower Danube plains. The Roman bridge at Turnu Severin gave access to the Jiu basin and the Valcan (Vulkan) pass. Both these are important railway routes to-day.

AN ALTERNATIVE to the up-stream route, and one which gives full advantage to bulk cargoes utilising the Danube, is that via the Black Sea and Mediterranean, and thus we

10: Logio S-4 (no date) 1932 ED1 Rumania ED1 Bessarabia

lei which was absorbed by Russia. Through the latter country an annual surplus of over a million tons of cereals was also marketed, as an excellent network of railway lines connected Odessa and the chief towns of Russia with Bessarabia. Further, under the Russian régime credit facilities were obtainable and a capital of some 10 million roubles or 10 milliard lei was at the disposal of the agriculturalists, while now it is reckoned that the Rumanian banks do not dispose of even 1½ milliard lei for this purpose, and in spite of the fact that the present requirements of the population are incomparably greater, since with the breaking up of the large estates, it was indispensable to provide the peasantry with funds wherewith they might buy implements and cattle for their farms.

It would appear that any civilized government, however vague its conception of its duty might be, would have proceeded to endow this province with a network of roads and railways to aid the population by thus facilitating the transport of its produce to the ports, since Odessa, the former outlet, is no longer available for this purpose. But strange to say, the Rumanian authorities have done nothing whatever; though even the construction of a few short connecting lines permitting a partial reorientation of the existing railway tracks and the construction of a grain elevator at the Danubian town of Reni would have gone a long way to relieve the strain. Even the deepening of the bed of the Pruth as far as Ungheni might have provided cheaper transport facilities to a large percentage of the available grain, which was often left to rot in the fields because overland transport charges, in the absence of roads, were found prohibitive.

Even out of mere solicitude for the safety of the State the Rumanian government ought to have provided means of communication whereby its army might in an emergency be concentrated on an ever-exposed frontier, in a region where a perpetual state of war exists. But even this weighty consideration has not sufficed to rouse the Bucarest Government from its self-complacency. There are, of course, persons who would explain the continual agitation brewing in Bessarabia and the predilection of its inhabitants for Russian rule by the assertion that these dunces of Moldovans (as the

imposing range of the Southern Carpathians, otherwise known as the Transylvanian Alps, shuts off Wallachia on the north from Transylvania, the main means of communication between the two provinces being provided by the Vulcan, Red Tower, Predeal, and Buzau defiles.

Moldavia is divided in almost two halves by the river Sereth which rises in Bucovina and flows southwards until it joins the Danube, receiving in its onward course several tributaries, the most important of which are the Moldova, Suceava, Bistritsa, and Trotush, the valleys of which furnish means of access to Transylvania. Western Moldavia is a hilly region very similar in structure to the Transylvanian basin, while the region between the rivers Sereth and Pruth forms a country of vast rolling plains.

Bessarabia is separated from Moldavia by the river Pruth and is delimitated to the north-east by the river Dniester, which constitutes its frontier with Russia. It is a country of vast, sparsely wooded plains, and is renowned for its orchards and extensive vineyards. The southern portion has a steppe-like appearance, though intersected by numerous lakes. It is deficient both in wood and in spring water, and for a long time this deficiency proved an obstacle to its colonization. Bessarabia originally constituted part of Moldavia, with which it also forms a geographic unit. Its capital, Chişinau, or Kichineff, is a well-built city. It possesses numerous colleges, religious institutes and governmental buildings, which form the relics of the former Russian administration and evoke memories of its past magnificence. Owing to the stoppage of traffic with Odessa, complete stagnation prevails. The Rumanian authorities have avoided the construction of communications in Bessarabia, and Chişinau, though being the second largest town in the kingdom, with a population of 117,016, is practically isolated, for the existing railways laid out by the Russians to suit different requirements, are from the commercial point of view now utterly unpractical for actual necessities. As a result stagnation has set in, and this maintains among the population a regret for the past Russian régime.

The Dobrudja lies to the south of the Danube, and may be regarded as an extension, both geographically and ethnologi-

000 previous years of drought. Such a result has completely discouraged them, especially the younger among them. . . ."

489 241 And it was not only the export taxes which impeded the development of agriculture, but also the deplorable state of the whole transport system. The shortage and deficiencies of the latter would have been very easily remedied with foreign aid, but the Bratianus were deaf to all such suggestions, though the imperative necessity of eliminating these defects was daily insisted on in the Press. Here is yet another excerpt from the *Argus* of October 8th, 1926, and it will be found both apposite and illuminating on this subject:

"So long as the Railway Administration does not dispose of adequate funds to obtain the necessary rolling stock, nothing can be done. Without locomotives, without trucks, without warehouses, a transport system is helpless in a country like ours, which cannot develop without exports. In order to stimulate and encourage the production of our soil, the subject of the re-establishment of our means of communication by land and water ought to be constantly in the minds of our governing circles. We have paid no heed to this truth during the eight years following the war, and as a result, if we except Russia, our country is the hindermost in Eastern Europe as far as transport is concerned. For this reason, in almost all railway stations quantities of grain remain for months waiting for trucks, to the immense prejudice of the producers and the merchants. The capital which is thus immobilized for so long a time, when interest rates are soaring fantastically, the warehouse dues, the loss in quantity and quality of the cereals through exposure and theft, are some of the factors which are contributing to the ruin of our agriculture and of our commerce in cereals. . . ."

651 241 To these complaints and remonstrances, however, the Government turned a deaf ear, and it even went farther and threatened to impose still heavier burdens on this harassed industry by an increase in the land tax. The injustice of this contemplated measure was exposed at length by Dr Ernest Ene in the *Argus*, who marshalled figures and facts to prove that, in comparison with other industries, agriculture had so far been treated as a Cinderella, although it had furnished

The above article shows how erroneous were the views of the late V. Bratianu in decreeing the nationalization of the oil deposits in order to prevent foreign companies from sharing in the development of the oil industry. The native producers, being without adequate capital resources, have been unable to take advantage of the benefits the mining law meant to reserve for them. They have undoubtedly contributed in increasing the crude oil output, but on the other hand, not possessing the means either to provide for its refining or its marketing, they have only contributed towards creating a glut on the market which is disastrous to themselves, but which unfortunately also affects adversely, though to a lesser degree, the foreign companies in Rumania. 315 382

Yet it could easily have been foreseen that an increase in the crude oil output would necessitate the expenditure of large sums of money for the construction of refineries, storage tanks, pipe-lines, tank-wagons, etc., all of which would have to be secured from abroad, seeing that the financial resources of Rumania were utterly inadequate to cope with the demands which were made on them from all sides. The scheme for the construction of a second pipe-line from the oil-fields to Constantsa, mooted by the companies, has been definitely rejected owing to the intervention of the railway administration, which naturally wanted to reserve as much as possible of the transport of the oil for itself. It has offered to grant increased transport facilities for oil, but it is very doubtful whether it will be able to fulfil its promises, because the bridge over the Danube at Cernavoda carries only a single track and its carrying capacity is limited. The construction of a second pipe-line to Constantsa therefore seems to be indispensable. The one already existing between Ploeşti and Constantsa has a total length of 320 km. Some 3,000 tons of oil may be pumped through it in 24 hours, and in 1931 the total quantity of motor oil conveyed through this pipe-line amounted to 753,000 tons. Another pipe-line exists between Ploeşti and Giurgiu, on the Danube, 180 km. in length, but the main port by which petroleum products are exported is Constantsa. In 1931, 3,926,247 tons were shipped from that port. [489] ●

The principal oilfields extend in a semi-circular strip on the

RUMANIA AS A GERMAN ALLY

648 433 To Germany Rumania has been an invaluable if expensive ally—invaluable mainly for her oil production, which accounts for one-third of total Axis supplies; expensive because, in order to exploit the country's usefulness to the full, it has been necessary to provide goods, such as oil-well equipment, agricultural machinery, machine tools, etc., all of which she can ill spare on account of the need for them both in her own country and for supply to her other satellites. To ensure smooth working of the oil-well region German troops have been established in the Ploești district. Apart fom oil German expectations have come to very little in Rumania—her demands for cereals, soya beans, sunflower-seed, etc., have not been fulfilled due to bad harvests, labour shortage and peasant hoarding, and livestock deliveries have been affected by fodder shortage and illegal slaughterings.

As to further German demands on Rumanian economy, the most outstanding were for manpower in the form of troops for the Eastern front, and the use of the country for transit of troops and war materials to the battle zones. Both these facilities have been of considerable material value to the enemy, though in order to make use of Rumanian troops Germany has had to provide the bulk of the equipment, as Rumanian industry is not adequate to supply more than the barest minimum; and even where she has the available facilities, raw materials are lacking.

[489] To exploit the country successfully from the transport angle it has been necessary to set up a control organisation to direct transit traffic, and, in addition, to supply and repair locomotives and rolling stock.

GERMAN PENETRATION

648 439 For a great many years, Germany has been the natural supplier of engineering and consumption goods which Rumania was unable to produce for herself, and has provided a ready market for her surplus agricultural produce. Following the coming into power of the Nazi Government, Germany succeeded in acquiring Rumanian trade to an increasing extent at the expense of other countries. With the outbreak of war, Rumania has become even more dependent on Germany as a supplier of manufactured goods in general, and iron and steel products in particular.